



CHASE

Colorado Healthcare Affordability and
Sustainability Enterprise

CHASE Initiatives Workgroup Meeting Notes

December 16, 2024
9:00am- 10:30am

[CHASE Workgroup Meeting 1 Slides](#)

[Meeting Recording](#)

1. Introductions

- a. Workgroup members introduce themselves
 - i. Alison Sbrana, Consumer
 - ii. Annie Lee, President & CEO, Colorado Access
 - iii. Emily King, Senior Policy Advisor/Deputy Director of the Office of Saving People Money on Health Care, Governor's Office
 - iv. Josh Block, Deputy Chief Financial Officer, HCPF
 - v. Dr. Kimberley Jackson, CHASE Board Vice President
 - vi. Nancy Dolson, Special Financing Division Director, HCPF
 - vii. Shauna Lorenz, Partner, Gjerset & Lorenz LLP
 - viii. Tom Rennell, Senior Vice President Financial Policy and Data Analytics, CHA
- b. Consultants introduced themselves
 - i. Matt Reidy and Megan Morris, PCG
 - ii. Steve Perlin, HMA
- c. Facilitators introduced themselves
 - i. Greg and Laura from Government Performance Solutions, Inc. (GPS)
 - ii. GPS reviewed slide 10 with the roles and responsibilities of the working group, consultants, and facilitators
- d. Additional attendees:
 - i. Bettina Schneider, Chief Financial Officer, HCPF
 - ii. Melissa Eddleman, Behavioral Health Policy and Benefit Division Director, HCPF
 - iii. Shay Lyon, CHASE Board Coordinator, HCPF

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- iv. Bethany Pray, Chief Legal and Policy Officer, Colorado Center on Law and Policy
- v. Ryan Westrom, Senior Director of Finance, CHA

2. Level Setting Around CHASE and State Directed Programs

- a. HCPF (Nancy Dolson) provided a brief CHASE overview
 - i. **Dr. Kimberley Jackson:** Does CHASE contribute to Home and Community Based Services (HCBS) for expansion populations?
Answer: The total expenditures for expansion populations was \$3B total funds for all services, including hospital, primary care, pharmacy, behavioral health services, and home and community based services. All benefits and care are funded through claims using provider fees with federal matching funds.
- b. HMA (Steve Perlin) and PCG (Megan Morris) provided short presentations highlighting the history of state directed payment programs and recent developments
 - i. **Steve Perlin, HMA:** Background and History (slides linked for reference)
 1. From a national perspective, we've seen a significant shift of individuals moving from Fee-For-Service to Managed Care. In 2006, there were less than 20 million enrollees in managed care; now there are nearly 70 million enrollees. In 2016, CMS finalized significant Medicaid managed care regulations including state directed payments
 2. The State Directed Payment program (SDP) must include core components that come together in the CMS preprint. The preprint is the framework of the SDP submitted for review and approval by CMS on an annual basis. Core components include:
 - a. Uniform percent or dollar increase, minimum fee schedule, or value-based payments
 - b. Payments must be tied to Medicaid utilization in the rate year
 - c. Must align with objectives in the State's quality strategy
 - d. Must be approved annually during the rate setting process



3. SDPs are active in 40 states around the country. Estimated payments in 2024 is \$110 billion in state directed payments.
4. 74% of the payments were in uniform rate adjustments. 87% of those uniform rate adjustment were delivered through separate payment terms (i.e., not co-mingled with capitation)
5. Provider financing is the primary funding mechanism
6. Size of directed payment programs are impacted by:
 - a. Adequacy of current rate
 - b. Upper payment limit (including average commercial rate [ACR])
 - c. Available financing room (provider tax capacity)
 - d. Federal match rate (FMAP) which varies significantly around the country
 - e. State administrative fee
7. CMS released the Medicaid and CHIP Managed Care Access, Finance, and Quality Final rule in April 2024, which was the first major update to 2016 managed care regulations

ii. **Megan Morris, PCG: Key Changes of 2024 Rule Update (slides linked for reference)**

1. Formalized Average Commercial Rate ceiling for hospital state directed payments
 - a. Along with annual preprint, CMS requires an ACR demonstration to prove that what's proposed in the SDP is less than what an average commercial payer would pay
2. Timing of preprint submission: states will need to submit *ahead* of payment start date; have seen CMS draw a tougher line in terms of timing and submission dates
3. (Unlikely to impact initial submission) Publicly posted detailed evaluation reports will be due every 3 years for SDPs > 1.5% of MCO payments, including 2+ metrics tied to State quality strategy. CMS can deny renewals if no meaningful improvement is demonstrated.
4. Elimination of Separate Payment Terms (after July 9, 2027); requires SDPs to be included in actuarially sound capitation rates. 87% of existing payments are happening through Separate Payment Terms, so will impact many SDPs.



- c. Opportunities for independent study
 - i. Individualized support and deeper learning for workgroup-relevant topics are available upon request. Please direct requests to Laura and Greg and they will facilitate responses (laura@governmentperformance.us and greg@governmentperformance.us)

3. Workgroup Charter

- a. Reviewed the [Workgroup Charter](#) approved by CHASE Board
- b. Confirmed proposed initial workgroup ground rules
- c. Reviewed conceptual timeline and milestones
- d. Reviewed general meeting guidelines for transparency
 - i. GPS presented slides 23-29 with charter elements, ground rules, timeline, milestones, and guidelines for transparency
 - ii. If edits, updates, or additions are requested, will submit those to the CHASE Board for review and approval
 - iii. Ground Rules Discussion
 - 1. **Dr. Kimberley Jackson**: important to call out that we are assuming best intentions and acknowledge that we are doing the best work we can.
 - iv. Key Questions Discussion
 - 1. **Tom Rennell, CHA**: There are likely implications to the current UPL program. Workgroup objectives might need to recognize that there could be implications to the current program and determine how to handle those.
 - a. Suggest revising key question to read “What are the impacts to the CHASE program *as it is currently operated*”?
 - b. **Nancy Dolson, HCPF**: the charge of the workgroup does include examining SDP plus any other changes to the existing program, so indicating that in the key questions makes sense.
 - 2. **Annie Lee, Colorado Access**: Difficult to look at the objectives and key questions and know what we don’t know. Hope for an opportunity to revisit as we gather more information along with meeting resources
 - a. **Greg Bellomo, GPS**: Slides, notes, and recording will be available for each meeting.
- v. Approach and Timeline Discussion
 - 1. Please direct questions and feedback to Laura and Greg and they will help facilitate responses:



- (laura@governmentperformance.us and greg@governmentperformance.us)
2. There is also a dedicated email box for this project, available to workgroup members and any other stakeholders: HCPF_CHASE_SDP@state.co.us
- vi. Transparency and Timing
1. Ensure the Workgroup will have a few business days in advance of each meeting to review upcoming meeting materials
 2. Will share agendas, meetings materials, and notes via the [CHASE SDP Workgroup website](#)

4. Meeting Cadence

- a. Review proposal for every-other-week meeting
 - i. The Workgroup agreed to meet **every other Wednesday from 12:00-1:30pm MT beginning January 15th**
 - ii. GPS will establish recurring calendar invitations for meeting series through June 2025
 - iii. If additional time or other options are needed, adjustments or additional time will be established

5. Questions and Next Steps

- a. Hear about the next steps
 - i. GPS will create an interview insight summary from the workgroup and key informant interviews
 - ii. HCPF will post the next workgroup meeting on its website
 - iii. HCPF will post an agenda ahead of the second workgroup meeting

6. **Next Meeting:** January 15, 2025, from 12:00-1:30pm MT. Please visit [Colorado Healthcare Affordability and Sustainability Enterprise \(CHASE\) State Directed Payment Program Workgroup](#)

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